

SULLY IS AGAIN PUT ON THE RACK

Former Cotton King Appears as a Witness Before Referee Cox to Explain Transactions on the Market.

NO LONGER PRESIDENT OF F. W. REYNOLDS & CO.

Admits that He Has Resigned, but that Mr. Sully Holds \$219,000 Worth of the Company's Stock.

The examination of "ex-Cotton King" Daniel J. Sully in bankruptcy proceedings begun before Commissioner Alexander was resumed to-day before Macgrane Cox, who was appointed referee six weeks ago. The hearing was held in the library of Mr. Cox's office, No. 65 Wall street.

"Will it be necessary to swear Mr. Sully again?" asked John W. Boothby, counsel for Receivers Miller and Taft. "It won't do any harm," replied the referee, smiling at Mr. Sully. "It certainly will not do Mr. Sully any harm," said Mr. Boothby. After this exchange Mr. Boothby began a series of questions, which showed that the probe was being directed at Fred Zerega & Co., cotton merchants of Liverpool, England, and George H. McFadden & Brother, of Philadelphia, in connection with their disposition of 4,000 bales of spot cotton on which \$194,000 was loaned to Mr. Sully.

Mr. Sully stated that John McFadden and William Winney comprised the Liverpool house, while John McFadden and his brother George made up the Philadelphia spot cotton house.

Sully Explains Transactions. "Previous to January, 1901, the transactions with Zerega & Co. on spot cotton were with me personally, after that with F. W. Reynolds & Co.," said Mr. Sully.

Here Mr. Boothby produced a small book marked "No" in which were records of transactions in futures. Mr. Sully thought the entries were in the handwriting of his floor broker, Tom Brophy.

Q. Do you not say that the future transactions with Zerega & Co. were with you personally? A. Yes.

Q. But the entries here say that the transactions were with D. J. Sully & Co.?" A. I cannot help that, said Mr. Sully. "I do not recognize the book as part of the records of the firm."

Q. Do you not say that the future transactions with Zerega & Co. were with you personally? A. Yes.

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COURT DECIDES FOR GAS MAGNATES

Rogers, of Standard Oil and Mercantile Trust Co., Justified in Decision Against Receiver, Who Fought Merger.

SENSATIONAL TESTIMONY HAD BEEN GIVEN IN SUIT.

Fraud Was Alleged by the Plaintiff, Who Sought to Nullify the Sale of Boston Companies in Deal.

BOSTON, May 17.—Judge Barker, of the Supreme Court, to-day announced a decision adverse to Receiver George W. Pepper, of the Bay State Gas Company, of Delaware, in his action for the nullification of the sale of the Boston gas companies, in connection with a plan to merge into a new combination.

The decision dismisses the bill of Receiver Pepper, which alleged that the sale was accomplished by fraud and conspiracy. The case which came before the court in March consumed several weeks and much sensational evidence was given.

At the conclusion of arguments by famous counsel, Judge Barker reserved decision. In his decision Judge Barker, who found for the defense in every point, says there was no evidence of any fraudulent action or lack of faithfulness on the part of the Mercantile Trust Company of New York, nor upon the part of Henry H. Rogers, of New York, who constituted the chief contention of Attorney Sherman L. Whipple, who was counsel for Receiver Pepper. The court also exonerated in every way the firm of Kidder, Peabody & Co.

The large financial interests involved, the prominence of the men brought into the proceedings and the sensational charges made in the hearing caused the case to be ranked as one of the most important ever brought before Massachusetts courts.

The defendants to the action included the Mercantile Trust Company of New York and Kidder, Peabody & Co., of Boston, who were financial agents in connection with the merger, and Henry H. Rogers, of New York, trustee of the Bay State Gas Company, of Delaware.

Receiver George D. Halleck, of the Bay State Gas Company, of New Jersey, and the Massachusetts Gas Companies, the corporation into which the Boston companies were merged, also were party defendants to the suit.

Mr. Rogers and Thomas W. Lawson, of Boston, were among the prominent witnesses in the case, their testimony concerning transactions involving millions being very sensational.

The decision is regarded as a blow against Lawson.

\$100,000 FOR RECEIVER.

Townsend-Downey Shipbuilding Certificates Will Be Issued.

Judge Holt, in the United States District Court, to-day signed an order authorizing Henry E. Ide, the receiver of the Townsend-Downey Shipbuilding Company, to issue receiver's certificates to the amount of \$100,000, payable in six months, at 6 per cent.

The court orders the receiver to negotiate the loan, making the certificates payable at a New York bank or trust company, but specifies the certificate must be sold at 100 cents.

The order also authorizes the receiver to pay off and retire the \$50,000 of receiver's certificates now outstanding.

LONDON STOCKS HEAVY.

Americans Recover After Weak Start, Closing with Some Strength.

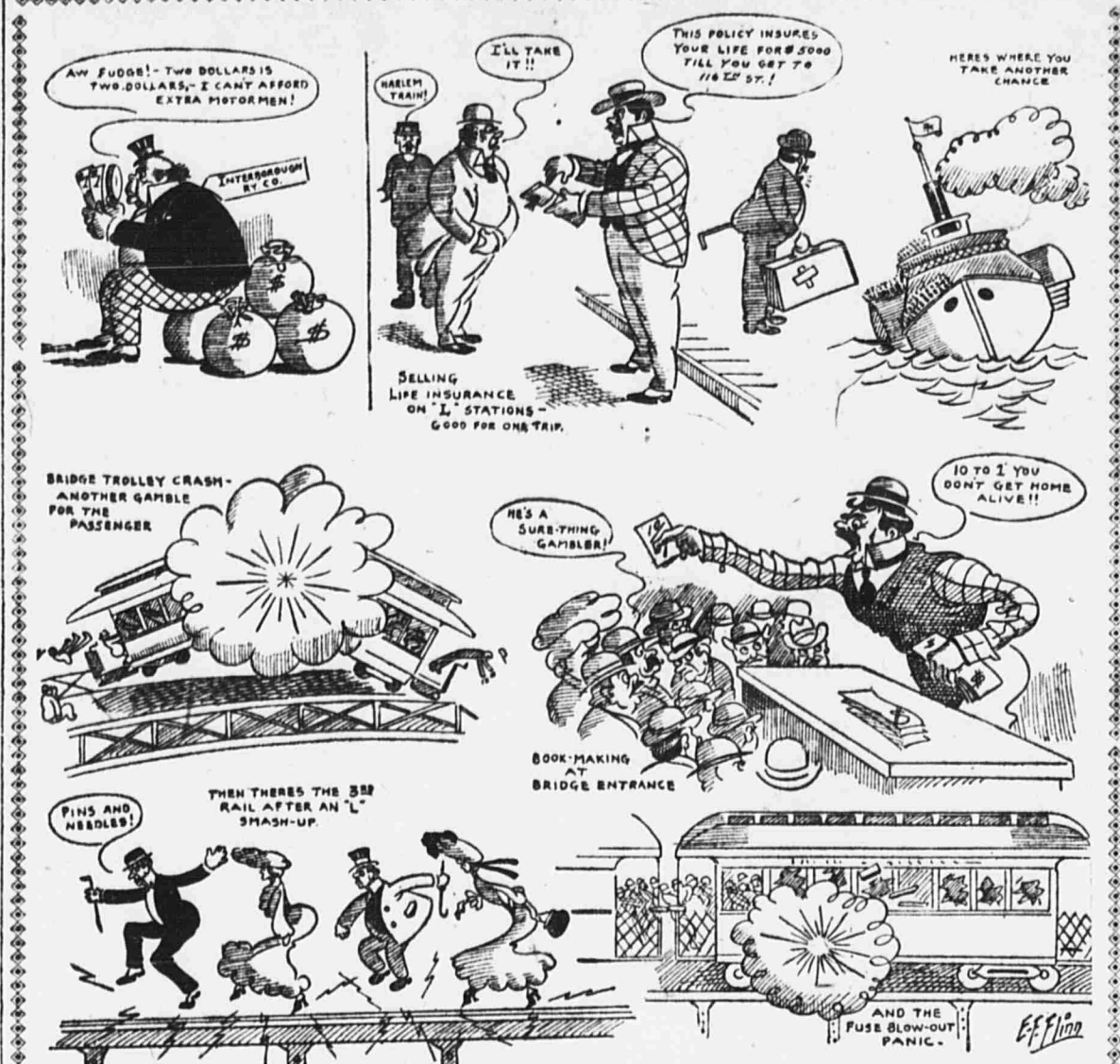
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Americans at first were weak on persistent Wall Street realizations. Later they partially recovered to slightly above parity at which they were neglected. The market closed firmer. Foreign Trunking was easier owing to expectations of bad traffic returns to-morrow.

COTTON MARKET.

The local cotton market opened steady to-day, with prices unchanged to 1/2 points higher. In view of the strong Liverpool cables everybody was prepared for a much higher opening and the pit was filled with selling orders designed to take advantage of the bulge. Shores furnished little support, owing to the obvious desire to unload, and commission houses' demand was very small, as rains in the central and eastern portions of the belt made new crop months less attractive to buyers than in May.

IF YOU ARE WISE, GET YOUR LIFE INSURANCE POLICY BEFORE YOU START HOME THESE DAYS.



STOCKS HIGHER AT CLOSE OF MARKET

Erie, Steel, Consolidated Gas, Manhattan, and Brooklyn Rapid Transit Leading in Trading in Which Shorts Figured.

Traders in the market were busy today for the most part trying to get back the shares they sold yesterday when there was quite a little liquidation going. This stock was so readily taken that the shorts, who took advantage of the selling to extend their lines, found that when the day closed that there was a scarcity of securities in the street. They rushed to cover, and this caused the slight rally at the close of the market. To-day these efforts were continued, and at the same time several attacks were made upon the market, in the hope of dislodging some long stock. These efforts were failures and the market, after an uncertain spell, developed some strength. There seemed to be quite a little more outside business this week than last, and the undertone was better than for some time.

The early strength was due to the good buying of the Steel issues and the preferred crossed 33 and the common at one time sold at 24. This advance with the strength in the Erie and the help to lift the whole market to a higher level. Good buying helped Manhattan and Brooklyn Rapid Transit, both showing strength.

Amalgamated Copper dividend was bid for on the curb at 5-8, which is 1-4 advance over the rate of payment recently. The dividend has been for some time 50 cents a share a quarter. The bid was at the rate of 61-12. The bidding was evidently for the purpose of boosting the stock, but had very little effect.

Girls, Please Don't.

Show your faults to the man who is inclined to be kindly. Imagine your mother can be taken in by a girl-tongued youth. Think an impression is being made by telling of the smart things you do. Tell all your friends how many distinguished ancestors are on your family tree.—Philadelphia Bulletin.

Little Girl Dies from Dog's Bite.

SHARON, Pa., May 17.—After twenty-one days of terrible suffering, Gladys, the four-year-old daughter of Harley Brown, died to-day from hydrophobia, the result of being bitten on the cheek by a vicious dog at Orangeville near here. Rabies developed shortly after.

Steel Bond Plan Shows a Loss.

J. P. Morgan & Co. Settle with Holders in Conversion Syndicate and Murmurs Are Heard from Syndicate Members.

PROMOTERS FIGURE OUT A SMALL PROFIT.

Loss May Be Ultimately Turned to Gain if the Paper of the Corporation Can Be Held for Higher Prices.

Members of the United States Steel Corporation stock conversion syndicate to-day received their bonds from J. P. Morgan & Co., the managers of the syndicate, and on many sides there were angry murmurs, for the syndicate shows a loss, and many of the members in view of the 10 to 18 points difference between the stock and the bonds, cannot understand this and had hoped to the last to receive a cash dividend.

The loss to the members ranges from 8 to 12 per cent., according to the price the different members paid for the stock which they turn into the syndicate.

ROTHSCHILD FAILS TO DELAY TRIAL

Indicted Head of the Federal Bank Is Denied More Time by Recorder Goff to Prepare His Defense.

David Rothschild was called for trial before Recorder Goff this afternoon on indictments charging grand larceny. Earlier in the day an effort was made to have the trial postponed, but Recorder Goff decided there was no ground for delay.

The firm of House, Grossman & Vorhaus was engaged yesterday to take part in the defense of Rothschild. Mr. Fred House appeared before Recorder Goff during the morning session, with Attorney Leventritt, who has been looking out for Rothschild's interests, and asked for the trial to be set back one day.

"I have not been on the case twenty-four hours," explained Mr. House, "and would like to have time to look into the affairs of my client before going on with the proceedings in this court."

Assistant District Attorney Rand opposed the request of Mr. House. He said he was willing to render every assistance to the defense, but that Rothschild had plenty of time to engage additional counsel and that there was no basis for a postponement. This view was shared by the Recorder.

The courtroom was crowded with persons who had lost money in the Rothschild enterprise when the case was called. Rothschild was ill at ease. The District Attorney does not expect that the trial will take up much time.

THE CLOSING QUOTATIONS.

To-day's highest, lowest and closing prices and net change from yesterday's closing prices or from last recorded sale are as follows:

	High	Low	Close	Chg.
Am. Copper	45 1/2	45 1/4	45 1/4	1/4
Am. S. & F.	45 1/2	45 1/4	45 1/4	1/4
Am. Sugar	10 1/2	10 1/4	10 1/4	1/4
Am. T. & S. F. P.	9 1/2	9 1/4	9 1/4	1/4
Am. T. & S. F. P.	9 1/2	9 1/4	9 1/4	1/4
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25.00 Rain Coats at 12.50 20.00 Silk Drop Voile Skirts 13.75

The largest and most complete stock of desirable goods ever offered at such low prices.

BROADWAY & 13TH ST.

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The loss to the members ranges from 8 to 12 per cent., according to the price the different members paid for the stock which they turn into the syndicate.

One man paid in to-day \$260.45 in cash and received \$1,500 of bonds, and on Oct. 1, 1903, he made a cash payment of \$260.45 and received \$1,500 of bonds. Thus he paid in \$1,500.45 and 100 shares of preferred stock, which cost him at the rate of \$6 a share, or \$5,500. For this he received all told \$1,500 in bonds.

The stock cost him \$5,500 and the \$1,500.45 in cash, making the total cost of \$7,000.45. If these bonds were sold to-day they would bring, with the market at 71-2, \$9,000.50. Thus there is a loss of \$1,622.55, or about 11 per cent.

This is a fair idea of how the syndicate members fared. Some paid more for their stock and some paid less. A few of the members accepted the matter philosophically, and point out that the rate of interest collected on the money invested is about 6 per cent.

The interest on the \$1,500 bonds for a year is \$22.50, and the interest on \$1,500.45 at 6 per cent. for a year is \$90.09. The total loss on the \$1,500 bonds is, at this rate, about \$1,700.00. As the syndicate was formed to take \$200,000 for cash at par, and probably averaged selling these bonds at 70, there was a loss here alone of \$20,000. The arbitrage between the stock and bonds enabled the syndicate managers to reduce this loss materially, as shown by this one transaction.

The loss may now be at a later date turned into a profit. Those who can hold their bonds until it is believed, ultimately sell them at a price several points higher than the ruling price to-day. But the trouble is that many of the members, it is understood, were forced to sell their bonds in order to receive the cash to pay to the syndicate managers.

J. P. Morgan & Co. figure a profit on this transaction of \$2,000. This is figured in this way: Had the man held 100 shares paid for at \$50, there he would to-day have a loss of \$42 a share, or \$4,200. Now he has \$1,500 of bonds worth \$9,000 at the market price. He has saved the difference.

WHEAT MARKET.

Wheat was in demand at the start to-day, with the same scarcity of offerings noted yesterday. July showed the greatest gain, it opening at 21, against 20-1/4 its final figure of last night. September, after the opening, remained stationary. Corn was steady and featureless.

New York's opening prices were: Wheat—July 20-1/4 to 20-1/2; September, 20-1/4; December, 20-1/4. Chicago's opening prices were: Wheat—May, 21-1/2 to 21-3/4; July, 21-1/2 to 21-3/4; September, 21-1/2 to 21-3/4. Corn—May, 14-1/2 to 14-3/4; July, 14-1/2 to 14-3/4; September, 14-1/2 to 14-3/4. New York's closing prices were: Wheat—May, 21-1/2 to 21-3/4; July, 21-1/2 to 21-3/4; September, 21-1/2 to 21-3/4. Corn—May, 14-1/2 to 14-3/4; July, 14-1/2 to 14-3/4; September, 14-1/2 to 14-3/4.

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